

State Employee Benefits Advisory Council Meeting
November 17, 2011
Statewide Benefits Office
Dover, Delaware

The State Employee Benefits Advisory Council met on November 17, 2011 in the Statewide Benefits Office, 500 W. Loockerman St., Suite 320, Dover, Delaware. The following Council members and guests were present:

Brenda L. Lakeman, OMB, SW Benefits
Director
Marsha Carson, SEBAC, DOS
Frederika Jenner, SEBAC, DSEA

Mary Cooke, DOE
Ann P. Skeans, OMB, SW Benefits
Mary Thuresson, OMB, SW Benefits
Pilar Figueroa, Colonial Life

Ms. Lakeman called the meeting to order at 3:07 p.m.

1. Approval of Minutes

Ms. Lakeman asked members to review the prior meeting minutes from October 20, 2011, and then requested a motion for approval. Ms. Cooke made the motion and Ms. Carson seconded the motion. Upon unanimous voice vote the minutes were approved.

2. Update of SEBC Activities – (handout)

Director's Report:

Being no questions or concerns from the prior SEBC meeting, they moved to the agenda items for the November 28th SEBC Meeting. First item will be Group Health Eligibility Rules and Regulations Proposed Substantive Changes to be effective January 1, 2012. Ms. Skeans gave out copies of the mark-up copy along with the final changes to everyone. She reviewed each change by section, gave clarification and answered questions. Ms. Lakeman noted a change that was still needed to 5.04 b where it says if they elect to enroll in one employee and spouse or family contract, one charge of \$25 per contract per month or the employee associated premium: "or the employee associated premium with the contract" should not be in b, only in a. A date change was also needed for 5.03 to read December 31, 2011. Ms. Lakeman noted that the document will be reviewed throughout to look for wording where it may say "employee premium" as it may need to be changed or deleted.

The only other agenda item for SEBC will be the Consultant RFP Contract Award. This is not discussed until the SEBC meeting. If SEBAC has any comments concerning it, they can be made during the Public Comment time at SEBC.

The Fund Equity report will also be on the agenda. Last month the bottom line was \$39 million (M) after all out year obligations. At the end of October it is \$32+M. It fluctuates due to five weeks in the month and there were three payments for Medco instead of two. Some months it is up due to rebates or Medicare D refunds. There was \$7.7M received as requested from the Early Retiree Reimbursement Program. That is not reflected in the Fund Equity because it was not received until November. It will be put in as an assignment which will not show in the bottom line.

Ms. Cooke asked if the \$32M was in line as to where we were last year at the same time.

Ms. Lakeman stated we were not in a surplus at this time last year because the trend didn't go down

until after the first quarter of FY11. We may have been in the negative. Trends are still trending fairly well. The first quarter of FY12 Financial Reports were just received from carriers and will be reported to SEBC in January.

Ms. Cooke asked who our consultant was and what they do. Ms. Lakeman stated it is AON and we are at the end of their four year contract. The additional year that could have been renewed, however, the decision was made to go out to bid. The award recommendation will be presented to SEBC to be effective January 1. It is a three year contract with two, one year renewals. It was explained that the consultant does our financials and all of our RFPs. They are instrumental in Medicare Part D and the Early Retiree Reinsurance Program. We need actuaries to do attestation for Medicare Part D, financial aggregators for the ERRP, and advisors on Health Care Reform. The prescription programs are being evaluated for EGWP (prescription for Medicare retirees).

SEBC and SEBAC meetings are cancelled for December. The January SEBC meeting has been changed from Monday January 9th to Friday January 13th. The new SEBC 2012 meeting dates are in everyone's packet. SEBAC meeting is scheduled for January 5th. That may change due to medical bid reviews. We received bids from five bidders who did not have to bids on all pieces of the RFP.

Ms. Cooke asked about rate changes effective July 2012. Ms. Lakeman stated being self insured we set the rates. The bids could affect the rates. The rate structure will change regardless as of July 1, 2012 because of the percentage structure. Talk concerning FY13 will begin in January and February, with a decision on a new carrier and rates in March as in previous years.

Ms. Cooke asked when the rate charts and FAQs for the new Civil Union legislation will be out. Ms. Lakeman stated the FAQs were almost done. They will be out December 1. They also plan to have the charts ready at that time. The rates will be the same, no matter if in a marriage or civil union. There will be a separate rate chart for imputed income and taxable issues. If there are any more questions, send them to us so we can add them.

3. SEBAC Comment to SEBC

None.

4. Other Business

None.

5. Public Comment

Pilar Figueroa from Colonial Life wanted to know about protocol for Open Enrollment concerning how to offer their products/services. Ms. Lakeman stated no new benefits would be added unless SEBC decided to do that. One can always come to SEBC and make Public Comment. They do not normally do a presentation unless they are doing an RFP. As of July 1 they are not doing any expansion of benefits.

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The next SEBC meeting will be Monday, November 28th at Tatnall Building, Room 112. Being no further business, Ms. Lakeman asked for a motion to adjourn. Ms. Cooke made the motion and Ms. Carson seconded the motion. Upon a unanimous verbal approval the meeting adjourned at 3:33 p.m.

Respectfully submitted,

Mary Thuresson
Administrative Specialist
Statewide Benefits Unit, OMB